GOVERNMENT OF INDIA
CHEMICALS AND FERTILIZERS
LOK SABHA

UNSTARRED QUESTION NO:1657
ANSWERED ON:16.07.2009
MAXIMUM RETAIL PRICE OF MEDICINES
Singh Shri Uday Pratap

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) the marketing and administrative expenses allowed while fixing maximum retail price of medicines under drug price control order;

(b) the extent of over-pricing on non-scheduled medicines vis-a-vis prices under Jan Aushadhi;

(c) whether the Government proposes to enforce code of ethics under social responsibility rather than market driven prices to keep the prices of medicines in a uniform structure; and

(d) if so, the steps taken in this regard?

Answer

MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS(SHRI SRIKANT KUMAR JENA)

(a) In terms of paragraph 7 of DPCO, 1995, retail price of Scheduled Medicines is fixed taking into account material cost (MC), conversion cost(CC),. packing material(PM), packaging charges (PC) and Maximum Allowable Post Manufacturing Expenses(MAPE). `MAPE1 means al! costs incurred by a manufacturer from the stage of ex-factory cost to retailing and includes trade margin and margin for the manufacturer and it shall not exceed one hundred per cent for indigenously manufactured Scheduled formulations. In case of an imported formulation, the landed cost forms the basis for fixing its price along with such margin to cover selling and distribution expenses including interest and importer`s profit which shall not exceed fifty percent of the landed cost.

(b) In the Jan Aushadhi Stores quality unbranded generic medicines are sold. On an average unbranded generic medicines. are cheap approximately to the extent of 50% vis-a-vis branded non-scheduled medicines.

(c)& (d) Government is engaged in promoting the concept of quality unbranded generic medicines at affordable prices for ail through the Generic Drug Campaign by opening Jan Aushadhi Stores with the co-operation of State Governments.